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February 21, 2021

Chairman DeAnn T. Walker
Commissioner Arthur C. D'Andrea
Commissioner Shelly Botkin
Public Utility Commission of Texas
1701 N. Congress Ave.
Austin, Texas 78701

Re: PUCT Docket 51812 – **Immediate Action Needed**

Dear Chairman Walker and Commissioners D'Andrea and Botkin:

Volt Electricity Provider, LP ("***Volt***") offers the following comments into the Docket 51812.

Volt generally supports the comments of ATG CLEAN ENERGY HOLDINGS, INC. DBA GREEN ENERGY EXCHANGE made in the above referenced docket having a file stamp date of February 19, 2021. Additionally, Volt offers the following additional comments.

In reference to ERCOT Notice M-B021921-01 Financial/Credit, dated February 19, 2021, regarding Collateral Adjustments and Invoice Payments, Volt applauds ERCOT for taking this initial step to implement a "timeout" and allow accuracy and sanity to come back into the Texas electric power market before using draconian remedies that would eviscerate market participants, particularly REPs, by destroying their businesses, leading to additional job losses in the state during an already unprecedented time of unemployment and creating additional turmoil and frustration for the general public. That said, the notice was not definitive enough to ensure REPs that ERCOT would actually hold off utilizing such draconian remedies, using words like "case-by-case basis, dependent upon the CP's activity in and risk to the market." ERCOT needs to issue a strongly worded statement that sends a solid message that until the anomalies caused by the disastrous winter storms from last week have worked through the market and the data being utilized is accurate, ERCOT will not utilize any draconian remedies, including the Provider of Last Resort ("***POLR***") remedy, against REPs. There is no way for a business to recover from the use of such remedies and no way to stop the turmoil and frustration to the general public once the trigger is pulled. Furthermore, once the remedy is utilized, there is no monetary adjustment that can right the ship (but there may be monetary damages which most certainly would be litigated).

ERCOT needs to give REPs, other market participants and the general public assurances that its actions over the next few weeks after this disaster will be to methodically, responsibly and intelligently process accurate data from last week before taking any knee-jerk action that will only serve to prolong and exacerbate this already chaotic time. Specifically, the Commission, using its authority and discretion, needs, or needs to direct ERCOT, to:

1. **<u>Draconian Remedies</u>**: Ensure market participants that ERCOT will not utilize draconian remedies, including the POLR remedy, until such time as the events from last week have worked their way out of the market.
2. **<u>Ancillary Services Fees</u>**: Suspend collection and distribution of Ancillary Services Fees in respect of February 15-21, 2021. Unlike energy prices where there are multiple participants on the settlement process, Ancillary Services are relatively simple and are payment that Load Serving Entities make to Generation assets through ERCOT. Theoretically, in return for this fee, the Generation assets are to provide services that keep the grid reliable and working all the time. Clearly, the grid was not reliable during those days, thus those Ancillary Services Fees might be overpriced. A simple temporary pause in collection and

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distribution of these Ancillary Services Fees for Feb. 15-21 would provide for a smoother transition to work through these winter storms anomalies. After investigation, if ERCOT finds that generating assets did indeed perform the way they were expected as required by those ancillary services, then true up statements can be sent, as is ERCOT's standard operating procedure for correcting all invoicing.

3. **Inaccurate TDSP Data**: Confirm/ensure the accuracy of usage data gathered/sent by all TDSP during this event. Many TDSPs utilize algorithms to estimate usage in times when the smart meter is not in communication with the TDSPs' systems. These estimates are then aggregated with actual data from the system and sent by the TDSPs to both ERCOT and REPs. For a variety of reasons, the estimates being created during this event could be wildly inaccurate, particularly in cases where the customer was not using any power during an outage, but the estimates showed "normal" daily usage. Until this erroneous data is removed from the market, reliance should not be had by any market participant on the veracity of the data. A reputable REP, knowing this was done, is not going to send a bill to a customer for usage during a time when the customer was actually experiencing an outage. That would only serve to infuriate the general public, introduce additional turmoil and chaos into the situation and call into question the integrity of the REP sending the invoice. For the sake of its customers, a reputable REP must dispute all TDSP data until it is reasonably certain that the data being provided is accurate.
4. **Reprice Power**: Reprice the last 16 hours, at a minimum, of this event (i.e., 16 hours of prices before 10:00 AM, Friday, Feb 19). The $9000 pricing was an artificial price, most obviously seen when the pricing was allowed to return to market pricing on Friday, Feb. 19. Pricing, within less than 30 minutes of being artificially inflated, fell from $9000 to a true market price of less than $50. The emergency pricing scheme was not designed for this kind of situation. The high-side pricing is there to incentivize those not producing to the grid, but who could produce to the grid, to do so. In this situation, there was no one available to incentivize to come onto the grid. Those who were on the grid were producing as dispatched, unless they had an outage, so there was no one left to dispatch. Why in the world would you artificially raise prices, which are meant to incentivize, when there is no one to incentivize. In fact, if there was any incentive created from this artificial pricing it was in respect of the owner of two or more generating assets where one asset was down. In that scenario, you are incentivizing the owner to keep the non-operating asset off line - there is no incentive to bring the non-operating asset back up if that meant a return to near normal pricing or even a $3000 emergency pricing – much better to have the operating asset receive a $9000 price, than bring the non-operating asset back on line where the two assets would only receive a "market" price or even an emergency price of $3000. This repricing should look at the market during this event and, once the situation was known, albeit not good, the maximum artificial pricing should be repriced to a price that is commiserate with and reasonable given the circumstances and the facts.

Respectfully Submitted,

David Santucci
Authorized Representative
Volt Energy Provider, LP